


NAVAL INSPECTOR GENERAL

REPORT OF INVESTIGATION

Subj: SENIOR OFFICIAL CASE 201401152B; ALLEGED IMPROPER CASH AWARDS BY RDML DONALD L. SINGLETON, SC/AP, USN, DIRECTOR OF LOGISTICS, U.S. EUROPEAN COMMAND

17 July 2015




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**Office of the Naval Inspector General
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Preliminary Statement

1. On 7 January 2014, a confidential complainant notified the Office of the Naval Inspector General (NAVINSGEN) that during Naval Supply Systems Command's (NAVSUP) preparations for an upcoming command inspection of a NAVSUP subordinate Echelon IV command, NAVSUP's Fleet Logistics Center, Norfolk (FLCN), NAVSUP inspectors found evidence that appeared to show that while serving as [b6, 7c]

[b6, 7c] improperly awarded cash incentive awards to NAVSUP FLCN employees in 2011-2012. The confidential complainant specifically alleged that [b6, 7c] approved multiple monetary awards for the same individual, but limited each award to \$5,000 or less in order to avoid having to submit higher dollar cash award recommendations to NAVSUP FLCN's Echelon II command authority, for review and final approval.

2. The confidential complainant also provided two spreadsheet reports covering the period 1 March 2011 through 18 December 2012. These reports showed that 193 On-the-Spot cash awards had been given to NAVSUP FLCN employees that exceeded the established \$750 limit and of note, there were 23 cash incentive awards which were \$3,000 or greater. The evidence showed that a large number of the awards greater than \$3,000 had been made to FLCN senior leaders; one award recipient received multiple cash awards totaling more than \$10,000 within a one-year period.

3. During our preliminary inquiry of the allegations presented to us, we determined that RDML Donald L. Singleton, SC/AP, USN, preceded [b6, 7c] RDML Singleton was Commanding Officer, NAVSUP FLCN from June 2010 until September 2011. Moreover, many of the high dollar cash incentive awards that the confidential complainant questioned were made during his tenure as Commanding Officer, NAVSUP FLCN. Accordingly, we identified both RDML Singleton and

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[b6, 7c] as subjects for investigation. Our investigation of allegations specific to [b6, 7c] was reported as a separate matter; the report of investigation that follows pertains only to RDML Singleton.¹

4. The following allegations were investigated:

Allegation 1: That between April 2011 and September 2011, while he was assigned as Commanding Officer, NAVSUP FLCN, RDML Singleton approved cash incentive awards that rewarded individual employees multiple times for the same special act or service, in violation of Department of the Navy (DON) Civilian Human Resource Manual (CHRM), Subchapter 451.1 and its implementing instruction.

Conclusion: The allegation is substantiated.

Allegation 2: That between April 2011 and September 2011, while he was assigned as Commanding Officer, NAVSUP FLCN, RDML Singleton gave cash incentive awards in an amount that exceeded what was warranted by the value of the accomplishment, in violation of DON CHRM Subchapter 451.1 and its implementing instruction.

Conclusion: The allegation is substantiated.

Background

5. NAVSUP IG conducted a command inspection of NAVSUP FLCN during 3-14 March 2014. The inspection determined in part that the Employee Award Incentive Program had not been conducted in compliance with the DON Guide No. 451-02 "Guidance on Implementing Awards Programs" and FISCNORVAINST 12451.1D dated 04 November 1997.² Per the instructions, On-the-Spot Awards are not to exceed \$750. The inspection determined that 193 On-the-Spot Awards exceeded the maximum amount. In addition, the

¹ NAVINSGEN submitted its report of investigation for case [b6, 7c] dated 18 June 2015 regarding allegations made against [b6, 7c] to DoD IG. On 30 June 2015, DoD IG approved NAVINSGEN's findings and closed the case, DoD IG Case ID# [b6, 7c]

² FISCNORVAINST 12451.1D dated 04 November 1997 and cited by NAVSUP IG in their command inspection report was not a standard NAVINSGEN relied upon for this investigation. However, we noted that in that instruction the Commanding Officer and Executive Director were apparent co-equals when it came to award approval authorities.

inspection determined that NAVSUP FLCN was not in compliance with their own local instruction, FISCNORVAINST 12451.1D. Awards had been processed that were not signed by the recommending and approving authorities as required by the instruction.

6. During the course of this investigation, NAVINSGEN reviewed the deficiencies NAVSUP IG identified during the NAVSUP FLCN Command Inspection related to the Employee Award Incentive Program. We noted that while there was evidence of 193 instances where On-the-Spot Awards were approved that exceeded the established \$750 limitation imposed by the governing awards instructions, RDML Singleton did not approve any of the awards that exceeded the \$750 limit. Accordingly, we did not form an allegation to address the matter. Rather, we relied upon Commander, NAVSUP, as the Echelon II command authority over NAVSUP FLCN, to address the matter and take such appropriate administrative action as may be necessary to correct this and all other deficiencies noted about NAVSUP FLCN during its command inspection. In that regard, NAVSUP IG reported that all NAVSUP FLCN personnel with awards processing or approval responsibilities received training about the awards program. Training was completed on 10 April 2014.

7. As we approached the end of our investigation we provided RDML Singleton with our tentative conclusions and afforded him an opportunity to comment. In his reply, he provided additional clarifying information about his reliance on the NAVSUP FLCN command awards board process and recommendations from key leadership officials, the [b6, 7c] (a military officer) and [b6, 7c] (government civilian), regarding awards that should be approved for NAVSUP FLCN employees. This new information caused us to reconsider certain other evidence that we had collected up to the point in time when we formed our tentative conclusions and, in light of this new information, we reevaluated our tentative conclusions about whether RDML Singleton acted improperly when he approved monetary awards for certain NAVSUP FLCN employees. Moreover, we discarded a third allegation that appeared in our preliminary report of investigation, an allegation that RDML Singleton "intentionally exceeded his authority" and approved multiple awards for the same special act or service, and revised our report of investigation as presented below.

Allegation 1

8. That between April 2011 and September 2011, while he was assigned as Commanding Officer, NAVSUP FLCN, RDML Singleton approved cash incentive awards that rewarded individual employees multiple times for the same special act or service, in violation of Department of the Navy (DON) Civilian Human Resource Manual (CHRM), Subchapter 451.1 and its implementing instruction.

Findings of Fact for Allegation 1

9. From June 2010 until September 2011, RDML Singleton served as the Commanding Officer, NAVSUP FLCN. At the time NAVSUP FLCN was credited with operating 38 logistic sites across 13 states and the District of Columbia and the command is comprised of approximately 2,000 military, civilian and contractor personnel. NAVSUP FLCN was the largest, most geographically dispersed Fleet Logistics Center; it provided acquisition, supply and logistics support to three Navy Regions and the Mediterranean theater of operations. During the time RDML Singleton was in command, NAVSUP FLCN supported customers that included 150 ships, 40 Navy partners and 700 DoD activities worldwide. (FITREP for the period ending 31Jul11, extended to 22Sep11)

10. NAVINSGEN reviewed 215 award justification packages for cash awards paid to NAVSUP FLCN employees during FY 2011 and FY 2012 (1 October 2010 through 30 September 2012). We noted that there were a total of nine \$5,000 Special Act Awards given to NAVSUP FLCN employees during April 2011 and September 2011 while RDML Singleton was in command. Further, there were five awards for which RDML Singleton was named approving official. We also noted that four of the five awards that were given under his authority appeared to be second awards for the same special act or service. (\$5,000 Award Nomination Forms of 11Jul11 & 15Jul11)

11. [b6, 7c] who was at the time the [b6, 7c] [b6, 7c], received two \$5,000 Special Act cash awards. The documents we reviewed showed that the two \$5,000 cash awards were approved on 11 July and 15 July 2011. (\$5,000 Award Nomination Forms of 11Jul11 & 15Jul11)

12. RDML Singleton signed the award recommendation document that approved the first of two \$5,000 cash awards for

[b6, 7c] on 11 July 2011. The justification document that accompanied the award recommendation form he signed cited [b6, 7c] outstanding leadership [b6, 7c], but in particular her work related to household goods and services, Enterprise Resource Planning Solution (ERP) 1.1 Single Supply Solution implementation and various other accomplishments. The award recommendation form cited 1 October 2010 to 1 July 2011 as the period of performance. The justification read:

[b6, 7c] provides outstanding leadership to the FISC Norfolk organization. Through her direct management and oversight, FISC Norfolk achieved full mission success during highly volatile financial times. She was ever mindful of the Navy imperative to cut spending and decrease budgets. Ensuring no change would ever endanger the command's ability to live up to its motto of "Service to the Fleet," she lead the charge on numerous initiatives in FY11 that allowed FISC Norfolk to significantly reduce expenditures; freeing up much-needed resources for COMFISCS and NAVSUP. One of the particular savings is within the household goods product and service. Fully supporting and utilizing NAVSUP's Continuous Process Improvement program, FISC Norfolk was able to accomplish sweeping changes to the organization of personal property shipping offices, and dramatic re-engineering of the way household goods functions are performed. This was done in such a way as to meet the project objectives for consolidations and right-sizing, but minimizing adverse impact to employees or diminished levels of support to Navy sailors and their families. Also in the household goods arena, [b6, 7c] provided leadership that revitalized and restructured the Household Goods Audit function, reducing backlogs and processing times from many weeks to just a few days. In the end, FISC Norfolk was able to meet all budget reduction objectives for the year. Additional key events this year to which [b6, 7c] had a direct positive influence included executing complex BRAC initiatives, to include base closures at NAS Brunswick and NAS/JRB Willow Grove, and continuing process improvements at Joint Bases Little Creek-Fort Story and Anacostia-Bolling. She made certain the ongoing partnership with DLA continued to mature and refine itself in regard to transferred Navy warehouses, Material Processing Centers, Naval Shipyards, and

other joint NAVSUP/DLA ventures. She was fully engaged in regular ERP drumbeats to be certain FISC Norfolk, its customers, and its employees were all fully prepared for the ERP 1.1 Single Supply Solution implementations; and was personally instrumental in the establishment of NAVSUP's first Navy ERP War Room, located at FISC Norfolk. In the spirit of NAVSUP's commitment to socioeconomic program objectives, [b6, 7c]

[b6, 7c] was personally involved in a successful initiative to utilize the Ability ONE program to provide postal support at FISC Norfolk locations through National Industries for the Blind contractors.

[b6, 7c] is a dynamic and energetic leader who brings a wealth of logistics knowledge and experience to the command. She continually provides wise and highly valued counsel to the Commanding Officer, mentors and guides her subordinates, and doesn't hesitate to get personally involved when she sees she can bring value. She is the most highly valued

[b6, 7c] in the COMFISCS network, and is most deserving of this recognition. (\$5,000 Award Nomination Form of 11Jul11)

13. The second \$5,000 cash award [b6, 7c] received was based on an awards recommendation document dated 15 July 2011. The written justification noted [b6, 7c] performance of duties [b6, 7c] and [b6, 7c]; it stated simply: "[b6, 7c] has performed in an outstanding manner [b6, 7c] [b6, 7c]" The second award nomination form cited the same time period as the first award, 1 October 2010 to 1 July 2011. (\$5,000 Award Nomination Form of 15Jul11)

14. We noted that RDML Singleton did not sign the second award nomination form dated 15 July 2011. Rather, [b6, 7c] [b6, 7c] NAVSUP FLCN Business Support Department signed the form. We also noted in the blocks where the nominating and approval authority official should have signed the form, there appeared instead of a signature the word "verbal" which had been hand-written on the form. Additionally, above [b6, 7c] the form also stated that she prepared and signed the form at RDML Singleton's direction.³ (\$5,000 Award Nomination Form of 15Jul11)

³ On 3 July 2013, [b6, 7c] retired from federal service. When NAVINSGEN investigators contacted her; she declined to be interviewed. We noted that [b6, 7c] was not an HR specialist.

15. We reviewed copies of the Standard Form 50-B (SF50) "Notification of Personnel Action" that documented the two \$5,000 Special Act Awards [b6, 7c] received; the SF50s had effective dates of 18 July 2011 and 5 August 2011 and showed that [b6, 7c] was paid a total of \$10,000. (SF50s)

16. RDML Singleton testified that he was the approval authority for cash awards given at NAVSUP FLCN while he was in command. He said NAVSUP FLCN had an awards board that "queued up" awards for his approval; [b6, 7c] [b6, 7c] were the members of the awards board. RDML Singleton testified that he followed NAVSUP FLCN standard practice while he was in command and believed he would have considered and approved both of [b6, 7c] \$5,000 cash awards with input from [b6, 7c] (Singleton, pp. 6-8 & 17)

17. RDML Singleton testified regarding whether he gave his verbal approval to [b6, 7c] stating: "I can't say that I recall it, no. I'm not saying that I didn't do it. I can't say that I recall it. [b6, 7c] is a very honorable person." (Singleton, pp. 19-20)

18. We presented RDML Singleton with a copy of the award nomination form dated 11 July 2011; he stated that the signature on the form was his. (Singleton, p. 17 & \$5,000 Award Nomination Form of 11Jul11)

19. Referring to the 11 July 2011 award he gave to [b6, 7c] RDML Singleton testified that he "could have given her \$10,000 based on the write-up. What she did was phenomenal." RDML Singleton also testified that the terminology used, "'Performs in an outstanding manner,' that's above and beyond," in regard to the 15 July 2011 write-up, indicating that the award warranted \$5,000 because of the use of the word "outstanding" which is reserved for top performing military officers. (Singleton, p.18)

20. When asked if [b6, 7c] performance of duties warranted \$10,000 within the same month, RDML Singleton stated that, "If there is money left in the pot, it has to be used for the awards and I gave it to the most deserving, so yes" RDML Singleton further testified that "I would've given her \$10,000 if I could've." (Singleton, pp. 23-24)

21. The \$5,000 award nomination form that [b6, 7c] signed on 15 July 2011 includes the names of three other NAVSUP FLCN employees who also received a \$5,000 Special Act cash award. The three individuals were: [b6, 7c] and [b6, 7c]. (\$5,000 Award Nomination Form of 15Jul11)

22. We noted in our review of 215 award justification packages for cash awards paid to NAVSUP FLCN employees during FY 2011 and FY 2012 that [b6, 7c] received a \$3,000 Special Act Award dated 17 June 2011 for a special act or service 15 May 2011 to 17 June 2011. The award nomination form described his accomplishment as follows:

[b6, 7c] was a significant and key contributor to the very successful command hosting of the COMFISCS EXCOM 15-17 Jun 2011. He graciously volunteered to create a very professional film on the NAVSUP War Room located in Bldg. W143 that [was] outstanding. More importantly, this film kept the audience at the meeting site saving over 35 high-level attendees two hours commute time-traveling to the Naval Station Norfolk. His further contributions included extensive insight into a number of issues impacting the FISCS and COMFISCS relationship. [b6, 7c] dedication and support for this project was superb and he is most deserving of this award!

[b6, 7c] approved [b6, 7c] \$3,000 award. The award justification for the \$5,000 special act or service award [b6, 7c] subsequently received simply stated he was being recognized for providing "overall command support [b6, 7c] [b6, 7c]" (\$3,000 and \$5,000 Award Nomination Forms of 17Jun11 & 15Jul11 respectively)

23. We also noted in our review of award justification packages that [b6, 7c] received a \$3,000 Special Act Award dated 30 June 2011 for a special act or service 1 January 2011 to 30 June 2011. The award nomination form described her accomplishment as follows:

[b6, 7c] has done an outstanding job preparing her team for ERP Regional Go Live 1. She has personally devoted countless hours to ensuring her team is trained and ready for implementation 1 July 2011. She has provided personal oversight of the data cleansing

and has made herself available for any emergent issues. RSO Norfolk is the first R-Supply site and as such will not field an ERP version that is 100% and so she has overly prepared her folks for workarounds and exception processing.

[b6, 7c] approved [b6, 7c] \$3,000 award. The award justification language used for the subsequent \$5,000 special act or service award [b6, 7c] received simply stated she "supported the ERP deployment at the first Air Station in an exemplary manner." (\$3,000 and \$5,000 Award Nomination Forms of 30Jun11 & 15Jul11 respectively)

24. We further noted in our review of award justification packages that [b6, 7c] received a \$2,000 Special Act Award dated 24 June 2011 for a special act or service 1 January 2011 to 24 June 2011. The award nomination form described his accomplishment as follows:

For outstanding support of the COMFISCS FY11 Commander's Guidance in the area of Integrated Logistics Support. [b6, 7c] has led the effort to reinstate FISCN supply support to Commander, Regional Maintenance Centers, Mid-Atlantic. He has worked meticulously with the maintainers and DLA Columbus to ensure the appropriate support is in place for the stand-up of NSSA.

[b6, 7c] approved [b6, 7c] \$2,000 award. The award justification language used for the subsequent \$5,000 special act or service award [b6, 7c] received simply stated he "transformed the ILS Department into a finely tuned operation." (\$2,000 and \$5,000 Award Nomination Forms of 24Jun11 & 15Jul11 respectively)

25. We reviewed copies of the six SF50s that documented each of the Special Act Awards [b6, 7c] received. The documents showed that [b6, 7c] was paid a total of \$8,000 for his two awards; [b6, 7c] received \$8,000 for her two awards; and, [b6, 7c] received \$7,000 for his two awards. (SF50s)

26. [b6, 7c] HR specialist employed by NAVSUP Headquarters in Mechanicsburg, PA. She testified that following standard procedure, any Request for Personnel Action (RPA) associated with an award "created by the command [would]

have gone directly from the command to the OCHR office responsible for processing the awards." Accordingly, while she acknowledged that officials at NAVSUP subordinate commands like NAVSUP FLCN had, on occasion, consulted her office about awards, she believed the RPAs for the two cash awards [b6, 7c] received would most likely have gone directly from NAVSUP FLCN to the OCHR Operations Center in Norfolk, VA without anyone in her office first reviewing the RPA for procedural completeness. Thereafter, the OCHR operations center would have processed the awards recommendation they received for payment and entered an appropriate SF50 into the employees' official personnel file. [b6, 7c], pp. 5-6 & 8-10)

27. RDML Singleton testified that he was familiar with Department of the Navy (DON) Guide No. 451-02, but relied upon the NAVSUP awards instruction to inform decisions about awards he approved while in command of NAVSUP FLCN. (Singleton, p. 12)

28. In reply to our Tentative Conclusion Letter (TCL) of 13 February 2015, RDML Singleton stated that he "did not approve multiple awards for the same act or timeframe, nor did [he] approve multiple awards to the same individual to circumvent delegated monetary values." Moreover, RDML Singleton stated:

In order to be improper, multiple awards to the same individual must be given for the same special act or service. The NAVIG report shows that individual awards were not, in fact, for the same act or service.

[b6, c7] first Special Act Award was for implementing the Enterprise Resource Planning Solution ("ERP") 1.1 Single Supply Solution, whereas

[b6, 7c] second Special Act Award was for outstanding performance in her duties as [b6, 7c]

[b6, 7c] from 1 October 2010 to 1 July [2011] These special acts and services are wholly separate accomplishments. In the first case, [b6, 7c] was awarded for extraordinary services on the specific implementation of a new major program far above and beyond my expectations. In the second case, [b6, 7c] was awarded for her outstanding performance as a leader, manager, and advisor. In [b6, 7c], the NAVIG report indicates that his first award was for developing a film on the NAVSUP War Room, whereas the second award was for providing overall command support as the Products and Service lead. Clearly, the first

accomplishment reflects a single outstanding product, whereas the second service reflects exceptional leadership and management of his department. In b6, 7c case, her first award was for her outstanding job preparing her team for the ERP Regional Go Live 1, whereas the second award was for supporting the ERP deployment The difference in language is not superficial. Preparing a team to take action on a project is a wholly different accomplishment and service than supporting the deployment of a system, which requires additional administrative, technical, and supervisory accomplishments and skills. Finally, b6, 7c received two awards, the first of which covers several accomplishments, including that he: provided outstanding support to COMFISC's FY 11 Commander's Guidance in the area of ILS, reinstated the FLCN supply support to Commander, Regional Maintenance Centers, Mid-Atlantic, that he worked meticulously with the maintainers of DLA, Columbus, to ensure the appropriate support was in place for the standup of NSSA; whereas the second award was for transforming the ILS Department into a finely tuned operation. While ILS is mentioned in both awards, they cover different actions. The first describes how he provided critical mission support, whereas the second describes the management and operation of his department. Moreover, the first award identifies three other specific acts which form the basis for the award, none of which are reflected in the second award. These differences are significant and important. They reflect distinct accomplishments which had exceptional repercussive effects throughout FLCN's area of responsibility and beyond. (TCL response, pp. 1 & 3-4)

Applicable Standards for Allegation 1

29. DON CHRM, Subchapter 451.1, Awards:

3. Policy

The DON awards programs are intended to recognize and reward civilian (and to a limited extent military) personnel for significant contributions to the mission and to encourage creativity and high performance in the workplace by promptly recognizing and rewarding individual and group contributions. The Military Cash Awards Program (MILCAP) is controlled by reference (g). It is DON policy to:

a. Encourage the full participation of DON personnel at all levels in improving Government operations;

b. Pay cash awards, grant time-off or incur necessary expenses for the honorary and informal recognition of DON personnel, either individually or as a member of a group, on the basis of:

(1) A suggestion, invention, productivity gain, superior accomplishment or other personal effort that contributes to the efficiency, economy or other improvement of government operations or achieves a significant reduction in paperwork;

(2) A special act or service in the public interest in connection with or related to official employment, or

(3) Performance as reflected in the employee's most recent rating of record.

c. Ensure that awards are granted consistent with Equal Employment Opportunity and Affirmative Employment Program policies.

d. Ensure that adequate documentation is provided to support benefits analyses and recommended awards.

4. Responsibilities.

g. Heads of Naval Activities and Marine Corps Commands are responsible for:

(1) Approving (or disapproving, as appropriate) individual awards up to \$5,000, as per delegated authority (i).

(4) Communicating awards program requirements to managers, supervisors, and employees.

(7) Ensuring awards are granted commensurate with the value of the employee's contribution or accomplishment, that documentation supports awards and that awards meet regulatory requirements.

h. Human Resource Offices (HROs) currently serviced by an operational Human Resources Service Center (HRSC) are responsible for:

(1) Advising managers, supervisors, team leaders and covered employees on program requirements and related awards issues.

(2) Forwarding approved awards to the HRSC for processing and input to the Defense Civilian Personnel Data System (DCPDS).

(3) Maintaining award documentation for all awards.

30. DON Guide No. 451-02:

7. Cash Awards

a. Cash awards are recognition in the form of a single monetary payment that may be for a special act or service in the public interest in connection with or related to official employment. Cash awards may be used to recognize a group or individual effort that goes beyond expected job performance or to recognize exceptional accomplishments, such as outstanding achievement. Cash awards may be granted at any time (except certain limitations as described in paragraph 4

of this Guide). Commands and activities may develop cash awards programs that include, for example, Special Act or Service, On-the-Spot, Superior Accomplishment, Suggestion, Invention or Performance Awards. Cash awards are granted commensurate with the value of the employee's contribution or accomplishment and the appropriate award amount is determined based on the tangible and intangible benefits scales in Appendices C and D.

b. Cash awards may be determined using a specific dollar amount or a percentage of basic pay. For awards based on a percentage of basic pay, the rate of basic pay shall be determined without taking into account any locality-based comparability, special law enforcement adjustment or interim geographic adjustment. Cash awards are subject to the approval authorities and limits of Appendix A.

(1) Special Act Awards. May be used to recognize a group or individual effort that goes beyond expected job performance. Special Act Awards are used to recognize exceptional accomplishments, such as an outstanding achievement, and may be given at any time. The appropriate award amount is determined based on the tangible and intangible benefits scales in Appendices C and D (5 CFR 451.104(a (2))).

Appendix D: Intangible Benefits - Example Scale of Award Amounts

VALUE OF BENEFIT	EXTENT OF APPLICATION			
	LIMITED	EXTENDED	BROAD	GENERAL
	Affects functions, mission, or personnel of one facility, installation, regional area, or an organizational element of headquarters. Affects small area of science or technology.	Affects functions, mission, or personnel of an entire regional area, command, or bureau. Affects an important area of science or technology.	Affects functions, mission, or personnel of several regional areas or commands, or an entire department or agency. Affects an extensive area of science or technology.	Affects functions, mission, or personnel of more than one department or agency, or is in the public interest throughout the Nation and beyond.
MODERATE Change or modification of an operating principle or procedure with limited use or impact.	\$25 - \$500	\$501 - \$750	\$751 - \$1,000	\$1,001 - \$1500
SUBSTANTIAL Substantial change or modification of procedures. Important improvements to the value of a product, activity, program, or service to the public.	\$501 - \$750	\$751 - \$1,000	\$1,001 - 1,500	\$1,501 - \$3,150
HIGH Complete revision of a basic principle or procedure; a Highly significant improvement to the value of a product or service.	\$751 - \$1,000	\$1,001 - \$1,500	\$1,501 - \$3,150	\$3,151 - \$6,300
EXCEPTIONAL Initiation of a new principle or major procedure; a superior improvement to the quality of a critical product, activity, program, or service to the public.	\$1,001 - \$1,500	\$1,501 - \$3,150	\$3,151 - \$6,300	\$6,301 - \$10,000

31. NAVSUP Internal Instruction 12451.2, Incentive Awards Program:

Special Act Award

3. Criteria.

c. There is no limit to the number of Special Act Awards an employee may receive in any given period, either as an individual or as a member of a group. Receipt of an award in this category will not prevent the same employee(s) from receiving other recognition. However, employees should not be recognized with a monetary award for the same achievement under two different areas of the Incentive Program, i.e., an employee will not be eligible for a Special Act Award and a Suggestion Award for the same accomplishment.

4. Procedures. Award recommendations and SF-52 must be initiated by the immediate supervisor promptly, but no later than 60 days following the contribution, and forwarded; via the chain of command, to the Human Resources Office. The justification must contain a brief and specific statement of achievement, which will be the basis for the amount of the award. An approval letter and certification will be forwarded to the appropriate Deputy Commander or Staff Director for signature.

5. Approving Official. Deputy Commanders/Staff Directors via SUP 32 for amounts up to \$5,000; SUP 09 via Deputy Commanders/Staff Directors and SUP 32 for amounts over \$5,000. SUP 09 approval for individual awards of \$5,001 to \$7,500 and group awards up to \$10,000. Awards above these amounts must be approved by the Assistant Secretary of the Navy, Equal Employment Opportunity/Civilian Personnel Programs.

Analysis for Allegation 1

32. We determined that RDML Singleton had the authority to give Special Act Awards to b6, 7c and the other NAVSUP FLCN civilian employees at his command. DON CHRM, Subchapter 451.1, Awards, authorizes Heads of Naval Activities to approve such

awards up to \$5,000. As the Commanding Officer of NAVSUP FLCN, RDML Singleton was the head of the activity; he could approve awards up to \$5,000.

33. When approving a cash award, approving officials may only authorize a single monetary payment for each special act or service. Regulations require approving officials to ensure that the amount of any award they approve be commensurate with the value of the employee's contribution or accomplishment. Award regulations also require approving officials to provide supporting documentation that meets regulatory requirements; specifically, "the justification must contain a **brief and specific statement of achievement**, which will be the basis for the amount of the award." (Emphasis added.)

34. RDML Singleton gave [b6, 7c] a \$5,000 Special Act cash incentive award on 11 July 2011. [b6, 7c] received a second \$5,000 Special Act Award along with three other NAVSUP FLCN employees based on a nomination form [b6, 7c] signed on 15 July 2011. [b6, 7c] the other three employees approved for a \$5,000 Special Act Award on 15 July, previously received separate Special Act Awards in June 2011. [b6, 7c] approved the earlier Special Act Awards for [b6, 7c] in June; she signed the award nomination forms for each using the by direction authority of RDML Singleton.

35. We questioned RDML Singleton about the award nomination form that [b6, 7c] signed and pointed out that [b6, 7c] indicated on the form that she had RDML Singleton's "verbal" approval to send the award recommendation forward. We discussed with RDML Singleton that the awards recommendation form she signed also stated that the award approval was submitted "at his direction." While RDML Singleton testified that he knew [b6, 7c] to be an honorable person and had no reason to doubt her truthfulness, he said he did not recall the awards. Later, in his TCL response, RDML Singleton denied that he gave his final approval for the 15 July awards as stated on the form [b6, 7c] signed. RDML Singleton said he could not explain why [b6, 7c] decided to forward the award recommendation form without submitting it to him for his signature, but instead cited on the form she had his verbal approval and acted at his direction. Moreover, RDML Singleton expressed dismay and wondered why, upon receiving an awards recommendation form without his signature, the servicing HRSC processed the award recommendations for payment to the employees without contacting

him as he believed they were required to do under the awards guidance.

36. The central issue in this allegation was whether RDML Singleton approved a second cash award for the same special act or service by an employee that he had previously rewarded. The standards are clear that each special act or service only warrants one monetary award, not multiple awards. Whether a cash award is for a special act or service that was previously rewarded can be ascertained by reviewing the justification documentation for each of the awards. We determined that the basis for the cash award RDML Singleton gave to [b6, 7c] on 11 July 2011 and the subsequent award she received based on his 15 July "verbal approval" were for the same act. The justification statement that accompanied the first of the two awards was detailed and, in our subjective opinion, provided sufficient description of the service [b6, 7c] performed to justify the \$5,000 she received. The justification statement that accompanied the second award was much shorter than the justification that accompanied the award approved just four days earlier. Moreover, the second justification was not distinguishable from the earlier award on its central points about the accomplishment being rewarded. In both award justifications, [b6, 7c] was recognized for being RDML Singleton's [b6, 7c]

37. We noted that the award justification language used for the cash awards [b6, 7c] and [b6, 7c] received as a result of the award nomination [b6, 7c] processed at RDML Singleton's direction contained similar justification statements. The respective award justification statements for these employees repeated the central theme used to justify the award each received the previous month. We also noted that the period of accomplishment for the earlier and subsequent awards of each employee overlapped as well.

38. When he testified about the \$5,000 award each employee received as a result of the award nomination [b6, 7c] signed by direction, RDML Singleton stated that he knew what each of the four had accomplished and each recipient was more than worthy of the monetary award they received regardless of the justification language that appeared on the award nomination form. Further, he testified that if his command had money left over in the awards "pot," it was appropriate for NAVSUP FLCN to expend those funds and he "gave it to the most deserving."

Conclusion for Allegation 1

39. We concluded that RDML Singleton rewarded four employees multiple times for the same accomplishment. We were not persuaded by his assertion in his TCL response that their individual accomplishments were separate and the respective justifications statements that accompanied their award nominations were just poorly articulated. Further, we did not accept his argument that the award document [b6, 7c] signed was invalid or the implication that she may have acted on her own volition and without his authority. [b6, 7c] written statement that she was acting at RDML Singleton's direction was made contemporaneously to the event and, moreover, by his own testimony RDML Singleton credited [b6, 7c] with being an honorable person and a key member of his leadership team. It seemed improbable to us, that [b6, 7c] [b6, 7c] and someone who was presumably familiar with its processes and cash award rules in general, would abuse her position and submit a false award nomination form or accept the associated risk of submitting a false document that only benefited others. Further, RDML Singleton's testimony regarding his decision to give end of fiscal year money to those he decided were most deserving, regardless of whether further cash awards were warranted by their individual achievements was compelling for our conclusion about this allegation.

40. The allegation is substantiated.

Allegation 2

41. That between April 2011 and September 2011, while he was assigned as Commanding Officer, NAVSUP FLCN, RDML Singleton gave cash incentive awards in an amount that exceeded what was warranted by the value of the accomplishment, in violation of DON CHRM Subchapter 451.1 and its implementing instruction.

Findings of Fact for Allegation 2

42. The findings of fact for Allegation 1 are accepted for the current allegation.

43. [b6, 7c], a Human Resources Specialist employed at NAVSUP Headquarters in Mechanicsburg, PA, served as a civilian awards program SME for the NAVSUP IG during the NAVSUP FLCN command inspection conducted on 3-14 March 2014. She reviewed the NAVSUP FLCN civilian incentive (cash) awards program as part of the command inspection team. [b6, 7c] testified about the award nomination forms she reviewed in conjunction with her participation in the NAVSUP IG's command inspection and her examination of NAVSUP FLCN's awards program. She reviewed individual cash award justification documentation and annotated each form she reviewed noting the range of monetary award she believed the written justification supported. [b6, 7c] indicated that the award justification for the \$5,000 Special Act Award dated 11 July 2011 given to [b6, 7c] only warranted \$1,501-\$3,150 when measured against Appendix D, Scale of Awards, Intangible Benefits Table. She indicated that the award justification for the \$5,000 Special Act Awards approved on 15 July for [b6, 7c] and [b6, 7c] only warranted \$25-\$500 based on her understanding of Appendix D. [b6, 7c] p. 10 & hand-annotated award justification documents)

44. We contacted [b6, 7c] Human Resource Systems and Analytics Department, with the Navy's Office of Civilian Human Resources (OCHR). She was recently selected to [b6, 7c] and has more than 25 years of experience as an HR specialist. [b6, 7c] acted as the NAVINSGEN Subject Matter Expert (SME) for the awards matters we examined in this investigation. On 8 September 2014, she provided us with a written assessment of several awards related to this case. [b6, 7c] reviewed the award nomination forms for the two \$5,000 cash incentive awards [b6, 7c] received. She noted the justification language used for the 15 July 2011 award given to [b6, 7c] was "vague and [did] not draw any analogy to justify the amount of award given." She also stated it was "difficult to determine whether the amount of this award [was] warranted based on the scale of Award Amounts Based on Intangible Benefits." Regarding the earlier awards that [b6, 7c] received in June 2011, [b6, 7c] common critique was that each of three earlier award justifications did not "provide the detail necessary to determine where on the Scale of Award Amounts Based on Intangible Benefits the accomplishments meet award criteria." Accordingly, she stated further that "it is difficult to determine whether the amounts of the awards are

appropriate for the accomplishments." (MFR OCHR SME of 8 September 2014)

45. On 26 May 2015, investigators met with [b6, 7c] a second time and specifically requested she opine whether she believed the justification language RDML Singleton used in the award he approved for [b6,7c] on 11 July 2011 was sufficient to justify the award. [b6,7c] stated that in her opinion the award write-up merely described the [b6,7c] job performance as the [b6,7c]; she did not believe it documented any special action worthy of a \$5,000 cash incentive award. [b6,7c] specifically opined that ERP implementation as discussed in the award justification would not support an award of \$5000 because it did not have an effect throughout the Navy. According to her, ERP had been implemented at only a handful of locations throughout DON. [b6,7c] said she could not identify any other act attributed to [b6,7c] that potentially extended outside of NAVSUP FLCN. In addition, [b6,7c] emphasized the point that the person approving an award was responsible under Navy awards guidance to ensure the amount awarded was correct; it is not the responsibility of the OCHR service centers to review the documentation they received from a submitting command to ensure amount of an award met the justification threshold. (MFR by [b6,7c] dated 5Jun15 about SME Interview)

46. RDML Singleton testified about the performance of his key staff, [b6,7c] and the adequacy of the written justifications that were contained in the 15 July award nomination form stating:

I know them and I know what they did and I know what that's saying, but -- so I have a bit of a bias, but those are the -- actually, I could've added a couple more names, but those were the four horsemen that ran this multimillion dollar organization and they're phenomenal Americans and I would give them all the same thing again today.

I would write that paragraph probably a little bit -- in fact, you can't put it in a paragraph. You've got to put it in an addendum. I can't believe that the form even allows for such a short paragraph. (Singleton, p.21)

47. In his reply to our TCL, RDML Singleton denied that he improperly approved cash incentive awards in excess of amounts authorized by agency standards. Arguing his point, RDML Singleton stated that the "instructions provided guidance, not bright line requirements" and "although the articulation in the July 15, 2011 submission to Human Resources does not explain it, the accomplishments of these individuals met these awards criteria as defined." (TCL response, pp. 2 & 4-5)

48. In paragraph 6 of his TCL response, RDML Singleton wrote:

As Commanding Officer, FLCN, I was responsible for establishing, maintaining, and supervising the awards program for my command. As the NAVIG noted in my interview, the overall responsibility lay with me for following the policy in [DoDI 1400.25 Subchapter 451, "Awards"]. However, I was not personally responsible for processing awards. Per DoDI 1400.25 Subchapter 451, the Human Resources Service Center ("HRSC") and Human Resources Office ("HRO") are responsible for processing awards and coordinating error resolution with the approval authority. At no time did the HRSC or the HRO notify me of any problems or concerns with the award submissions. Because the HRSC and HRO were supporting activities, I had no supervisory control over these organizations. Without supervisory control, I would not have been able to identify potential errors without HRSC or HRO affirmatively notifying me. Without notification, it would have been impossible for me to rectify any mistakes of process identified in this investigation. At the time, I had every reason to believe that all the awards I processed were in accordance with the rules and regulations. If there were questions or concerns about any award that had been processed, these issues should have been brought to my attention, as Commanding Officer, FLCN, for resolution.⁴
(TCL response, p. 7) (Emphasis added.)

49. Discussing the authority and responsibility of the Commanding Officer and Executive Director, Fleet and Industrial Supply Center, Norfolk, Virginia Instruction (FISCNORVAINST) 12451.1D, dated 4 November 1997, states the following at paragraph 6.a:

The Commanding Officer and Executive Director have the responsibility for establishing an active Incentive Awards Program, assigning administrative responsibilities at appropriate levels within the command, providing leadership and management support, approving time-off awards for periods in excess of 1 week, and reviewing program results. Monetary award recommendations for amounts in excess of \$5,000 for an individual and \$10,000 for a group will be endorsed by the Commanding Officer, FISC Norfolk, and forwarded to higher authority for final action.⁵

Applicable Standards

50. As listed for the previous allegation.

Analysis

51. DON Guide No. 451-02 provides Appendices C and D establish the criteria by which approval officials determine appropriate cash award amounts. Paragraph 7.a of the guide states:

Cash awards are granted commensurate with the value of the employee's contribution or accomplishment and the appropriate award amount is determined based on the tangible and intangible benefits scales in Appendices C and D.

52. Under Appendix D, only the following three combinations can warrant a \$5,000 monetary award:

1) The act is of **general application** and provides a **high value of benefit**. That is, the act must affect more than one department or agency or be in the public interest at least nationally, and it must be a complete revision of a basic principle or procedure or a highly significant improvement to the value of a product or service,

⁵ As previously noted in this report, NAVSUP FLCN was formerly known as FISC Norfolk and while FISCNORVAINST 12451.1D was not relied upon as a standard in this investigation, it was in force at the time of the events we examined and NAVSUP FLCN officials derived their delegated awards authority from the instruction.

2) The act is of **broad application** and provides an **exceptional value of benefit**. That is, the act affects several regional areas or commands, or an entire agency and it must initiate a new principle or major procedure or a superior improvement to the quality of a critical product, activity, program or public service, and

3) Finally, the act is of **general application** and provides an **exceptional value of benefit**. That is, the act must affect more than one department or agency or, must affect more than one agency or be in the public interest, at least nationally, and it must initiate a new principle or major procedure or a superior improvement to the quality of a critical product, activity, program or public service.

53. We determined that the 11 July award RDML Singleton gave to [b6, 7c] contained an adequate justification for the \$5,000 award she received. Our SMEs' opinions about the award justification notwithstanding, the evidence showed that the extent of NAVSUP FLCN's influence within the Navy extended well beyond Norfolk and the actions attributed to [b6, 7c] were more than her just doing her job [b6, 7c]. NAVSUP FLCN had responsibility for 38 subordinate activities in three Navy Regions encompassing 13 States; its responsibility also included the Mediterranean Theater of Operations. Further, NAVSUP FLCN provided direct support to DLA activities world-wide. By extension, we determined that [b6, 7c] documented actions as [b6, 7c] would reasonably fit the "broad" extent of application contemplated in Appendix D and the description of her specific accomplishments demonstrated an "exceptional" value of benefit for the Navy and DoD as contemplated in the appendix.

54. We determined that the 15 July award that [b6, 7c] signed by direction of RDML Singleton did not adequately justify the \$5,000 awards [b6, 7c] or [b6, 7c] received. The justification statements provided in the award nomination form for these four individuals did not contain an adequate explanation to support the level of award they were given. Justification statements that "[b6, 7c] has performed in an outstanding manner as [b6, 7c] [b6, 7c];" "[b6, 7c] has supported the ERP deployment at the first Air Station in an exemplary manner;" "[b6, 7c] has provided overall command support as the Products and Services lead;" and, [b6, 7c] has transformed the ILS

Department into a finely tuned operation" are not sufficient under the standard. When Appendix D is applied, the individual descriptions of their accomplishments do not support a value of benefit or extent of application finding that equals \$5,000.

55. RDML Singleton's stated in his TCL response that as the Commanding Officer of NAVSUP FLCN, he was "responsible for establishing, maintaining, and supervising the awards program" at his command. We agree. He also stated in his TCL response that he was "not personally responsible for processing awards" and we can agree with that point as well. However, while the servicing HRSC and HRO were responsible for processing awards and coordinating error resolution with the approval authority, any failure to do so did not relieve RDML Singleton of his responsibility as a Commanding Officer and approval official for the awards submitted pursuant to his individual award authority. Poor or no staff support may be appropriate mitigating factors to be considered, but any failure to establish, maintain and supervise the NAVSUP FLCN awards program lay with him not the servicing HRSC or HRO.

Conclusion

56. We concluded that the initial awards [b6, 7c] [b6, 7c] received were appropriately documented and the amount of each of those awards was properly justified in the respective award write-ups. We also concluded, however, that the subsequent awards [b6, 7c] received were not properly justified; the \$5,000 award each received exceeded what was warranted by the value of their individual accomplishments in violation of the standards.

57. The allegation is substantiated.
